TO STUDY THE EFFECTIVENESS OF ONLINE ADVERTISING ON MILLENNIALS, USING AIDA

SHORT SYNOPSIS

Submitted in partial fulfilment of the requirement of the degree of

DOCTOR OF PHILOSOPHY

to

Manav Rachna University

by

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I hereby declare that the short synopsis entitled "To study the effectiveness of online advertising on millennals, using AIDA" is being submitted in partial fulfilment of the requirement for the degree of Doctor of Philosophy in the Department of Management & Commerce under the Faculty of Management & Commerce of Manav Rachna University, Faridabad during the academic year 2021-22.

It is the work that is expected to be carried out under the supervision of Dr Manmeet Bali Nag and Dr Bishan Singh Nagi. Further, it is certified that short synopsis is within the plagiarism limit and a copy of the same is attached as per university norms.

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ABSTRACT

Digital marketing or online advertising has grown massively grown in the last few decades. Online advertising covers the entire gamut of email advertising, website banners, In-App advertising, Search Engine Advertising, Social Media Advertising., Mobile advertising and YouTube advertising. Millennial are the generation that is very comfortable with spending a sizeable time online. AIDA or Sales Funnel is an effective tool to measure the impact of advertising campaigns hence the research is measuring the journey of millennial from awareness to interest, interest to desire and from a desire to the actual purchase of items advertised. The effort is to measure the relationship between various stages of AIDA and the overall impact of online advertising campaigns. It would be examining the effectiveness of various online advertising platforms to create awareness, interest, desire and action taken by the millennial. The data would be collected through a questionnaire administered to working professionals in Gurugram. The data collected will be analyzed using various statistical tools. The hypothesis related to the objective of the research will be tested. The data collected will be also used to build a model to establish a relationship between the variables. The results of the research will be helping advertisers to effectively choose the online medium for their advertising mediums depending on the purpose of the said campaign. It can also contribute to developing AI (Artificial Intelligence) related to online advertising.

Keywords: Digital Marketing, Advertising, AIDA, Online advertising, Sales funnel

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1. Introduction:

Internet and Mobile Association of India defines online advertising as “a form of promotion that uses the internet and World Wide Web to deliver marketing messages”

The sales funnel or the buying funnel is based on information processing by the consumer. (Jansen & Schuster, 2011). The customer goes through various stages before arriving at the final purchase of the product. The person first becomes **aware**, then shows **interest** in the product, arrives at a **decision** and finally takes the **action**. This is known as AIDA in short form.

Awareness is the first step, where customers get to know about the existence of the product.

Interest is the second step where the customer develops a curiosity about the product.

The 'Decision' or 'Desire' is the state where the customer is ready to purchase and has taken a decision.

Action is the final state where the actual purchase takes place. (Rehman & Ur & Nawaz & Ilyas & Hyder, 2014)

AIDA which stands for Attention, Interest, Decision, and Action is a simple model which can explain consumer behavior. It is of interest to the marketer as the various communications can be targeted to the various stages. (Sugett,2019)

The researcher is here trying to establish a relationship between Online Advertising and various stages of the Sales Funnel which measures whether online advertising is creating **Awareness**, generating **Interest**, motivating customers to arrive at a **Decision** or taking **Action.**

2. Literature Review

Paid Media or Online advertising, according to Louisa Ha (2008) refers to "deliberate messages placed on third party websites including search engines and directories available through internet access." (Ha, 2008). Social Networking Sites are online properties through which you can mark your presence connect with others to form communities. (Rau, Gao, & Ding, 2008).

In 2010 Facebook proved to be instrumental in understanding and communicating with the customer at an emotional and personal level. The current advantage Facebook has is that of cost-effectiveness and quick turnaround on customer complaints. But over the time it may stagnate and be replaced by other social media platforms. (Nguyen, 2010)

Internet (or online) advertising may also be defined as the promotion of goods, ideas or services to selected consumers using the internet as a medium (Srivastava & Mishra, 2011).

Piñeiro-Otero, Teresa & Martínez-Rolán, Xabier. (2016) divides digital marketing into four sections -The E-commerce section, Web Search Marketing focuses on SEO and SEM, E-mail Marketing and Social Media Marketing.

There are three ways a brand can communicate digitally – Owned Media, Paid Media and Earned Media. (Lovett, Mitchell & Staelin, Richard.,2016). Out of the digital marketing pie the researcher is focusing on Paid Media. Digital Marketing in India has come a long way since its introduction in the 1990s. The three principles of digital marketing which are driving the rapid growth of digital marketing are Immediacy, Personalization and Relevance. (Rane, 2017)

By 2017, Internet marketing became the rapidly rising and most exhilarating division of marketing today. The world is becoming very well connected and progressively

doing so at every moment. The technology is fast-changing giving rise to a generation of customers which is extremely demanding and changes its mind at a rapid pace. Internet marketing will prove an effective tool to serve this generation of customers. (Rane, 2017)

Hossain, & Rahma (2017), identify nine methods of Internet market which include putting advertisements on websites, maintain public relations on web, Search Engine Optimization, marketing through social forums or blogs etc.

Paavola (2017) finds email marketing as the most effective tool for obtaining B2B customers.

Facebook and Google provide different kinds of advertising opportunities to marketers. Facebook comes under "Paid Social" while Google AdWords comes under “Paid Search”. Facebook is measured for its MAU or Monthly Active Users while Google AdWords is measured by the number of monthly searches on particular keywords.

Google AdWords offers Search Engine marketing which is the paid version of Search Engine Optimization where your advertisement appears on the search pages and is linked to the words that you are searching for. These are called keywords. Apart from SEM (Search Engine Marketing) Google offers video marketing via YouTube and display advertisements through its AdSense Network. (Muhonen,2017)

“Facebook offers different forms of media including photo advertisements, video advertisements and slideshow advertisements”. (Muhonen,2017) Campaigns run on Facebook can also be shown on Instagram which is also owned by Facebook. WhatsApp which has also been acquired by Facebook has a huge number of active users but does not serve as an advertising medium.

Google had the first-mover advantage in India and has been ruling the roost in the online advertising arena for a long time. Its ad revenue grew at an amazing rate of 20% for several years. (Malviya & Anand, 2018) Google India has doubled its revenue over the last 3 years and has grown by 30 % in the year 2018, as most marketers have allocated up to two-thirds of their digital budget to Google. (Dave & Chaturvedi, 2018) It has faced a challenge from Facebook in the last few years as it made its presence felt in the top brand's digital marketing plans. A late entrant in the

market Facebook has seen rapid growth in user base and consequently in ad revenue. Its Indian arm grew 53% in 2018, slower than the previous year in which it had doubled its revenue.

3. Description of Topic

3.1 Research Gap:

Most of the research done on the digital marketing space in India is on the e-commerce platforms where the goods are being sold and purchased online. But this research focuses on platforms that are being used as advertising tools rather than selling goods online as the sale may take place offline or online but it is competing with advertising mediums such as hoardings, television, newspaper, magazines and other traditional advertising mediums.

Davidavičienė, Vida. (2012). The study "Effectiveness Factors of Online Advertising" implies that the efficacy of online advertisement has been mostly assessed by factors like CTR, CPC etc. rather than more comprehensive measures like the attitude of the consumers towards online advertising.

“Effectiveness of Digital Marketing in the Challenging Age-An Empirical Study” concludes that all elements of digital marketing have a positive effect on firm sales. (Yasmin & Tasneem & Fatema 2015) Further to this, we need to find out that Online Advertising in particular impacts which stage of the Sales Funnel.

One such research is "A Descriptive Research Study on Genesis Development and Future Scope of Online Advertising in India." (Mishra, 2015). The author has concluded that this form of advertising has emerged as the fastest-growing during the last two decades.

“Impact of Facebook Driven Word of Mouth Communication on the Online Buying Behaviour” is a study by those measures establishes the Facebook-driven word of mouth and its impact on the online sales. (Senthilkumar,2015)

The study “Facebook advertising’s influence on intention-to-purchase and purchase amongst Millennials” measures the impact of Online Advertising on two stages of Sales Funnel intention-to-purchase and purchase in the South African Context. (Rodney Graeme Duffet, 2015).

Another study “Effectiveness of advertisements in social media” (Kathiravan C.2017)– finds social media as a very strong player in the field of advertising. The strength is attributed to speed, cost-effectiveness and wide range. Utilization of the said qualities has led to wide usage in promotions. The author sees a great future for it and sees a possibility of replacing the traditional forms of advertising.

In a study conducted in 2017 "Impact of Digital Marketing Communication on Consumer Buying Decision Process A Study of Indian Passenger Car Market," the researcher mapped the digital marketing communication with the various stages of buying of Car Buyers preferred to use digital marketing communication for information used to make a decision but were unlikely to buy or book a car online. (Rekha, 2017). The above-mentioned study restricts it to car buyers but we would be conducting a study on all categories of millennials.

Szymanski & Lininski (2018) have proposed a model to measure the effectiveness of AdWords advertising campaign by measuring the parameters are Cost per Click or CPC, Click-through rates or CTR & Conversion rate or CVR. But these need to be related to the features of the product that is being promoted and the company promoting the product. (Szymanski & Lininski, 2018)

"Efficacy of advertising on Facebook a study on youth"- concludes that the mere creation of business pages on Facebook does not motivate users to take action while advertising with Call- to- action words like "Shop Now" or "Book Now" or "Get direction" motivates the user towards Sales. (Sharma, 2018)

The researcher will be doing the above research in the Indian Context and also extend it to the four stages of the Sales Funnel-Awareness, Interest, Decision-Making and Action- by those using Facebook or Google. The researcher will be measuring the attitude of millennials towards online advertisements and its impact on buying behavior.

3.2 Rationale:

Since Facebook & Google hold the major chunk of the Indian Online Advertising market and most of the money is being spent on these two media, the researcher would like to examine its impact on the millennial. In India, as per a 2018 Seeking Alpha report, Google and Facebook — has a combined market share of 68 per cent as reported by Economic Times.

A person reaching young adulthood in the early 21st century is defined to be a millennial.

The characteristics of millennials vary by region and by the individual, and the group experiences a variety of social and economic conditions, but they are the tech-savvy generation that grew up during the information age. They are frequent users of social media and other digital platforms, and hence has been chosen as the target market.

4. Objectives of Research

4.1 Objective:

1. To measure the impact of online advertising on millennial
2. To map the impact to the four stages of Sales Funnel: Awareness, Interest, Decision making and Action.
3. To measure if there is any significant difference between users of Facebook and Google Advertising
4. To build a model based on the above findings.

4.2 Hypothesis:

H_1: Online Advertising has no impact on the awareness of millennials of products being advertised.

H_2: Online Advertising has no impact on the Interest of millennials in products being advertised.

H_3Online Advertising has no impact on the Decision-making of millennials of buying products being advertised.

H_4: Online Advertising has no impact on people taking Action online buying of millennials being advertised.

H_5: There is no difference between Facebook and Google Users as far as the impact of Online Advertising on millennials.

5. Methodology to be adopted

5.1 Research Design:

The research Design would be quantitative and single cross-sectional descriptive research design. In such research designs, the sample is drawn only once and data are collected only once. Various research variables will be described and discussed as per the objectives of the study.

5.2 Research Methodology:

Generally, three methods are applied in completing a research study in the management area. The use of each of these methods in the present study is discussed below:

1) Sampling - It consists of the following three components:

(A) Who are the respondents – The millennials are the persons in the age group of 25 to 40 years. These would be selected from 20 medium-sized companies located in Udyog Vihar of Gurugram. These 20 companies will be selected randomly from the list of medium size companies. The list will be procured from the concerned authority of Udyog Vihar

(B) Number of Employee Respondents – From each selected company 20 respondents will be selected randomly with the help of the Simple Random Sampling

Technique. Hence the total sample of respondents will be 400 (20 Companies X 20 respondents=400). It will be ensured that a sizeable number of male and female respondents are included. Also, it will be ensured that a sizeable number of respondents from three age groups- that is, 25 to 30 years, 31 to 35 years, and 36 to 40 years are included. This is done to compare the study variables in these categories to assess the significant differences.

(C) Sampling Method – Simple Random Sampling Method will be applied in selecting the required number of Units for the study.

2). Tools of Data Collection –Questionnaire will be used to collect data. Objectives of the research will be transformed into questions. The purpose of questionnaire is to translate the objectives of a study into a specific question. Before framing the questionnaire, the review of literature related to the study will be done, and the points or gaps that emerged from the review of literature will be used in preparing the questions of the questionnaire. Pre-testing of the questionnaire will be done to ensure the authentic information from the respondents to each question of the questionnaire. The questionnaire can be divided into the following:

a) To establish whether the respondent uses Facebook, Google or both.

b) Measuring whether the user is at which stage of the sales funnel stage of AIDA **Awareness stage**, **Interest**ed, **Decision**-making or **Action (**actual purchase**)** stage.

3) Tools of Data Analysis – Frequency and percentages distribution of the study variables will be calculated. Mean and Standard Deviation of study variables will be calculated, t-test of two independent samples will be applied, ONE-WAY ANOVA, Pearson Correlation, Regression Analysis, etc. will be applied.

6. Expected outcome of the research

One of the main advantages of digital marketing over other advertising mediums is its measurability. You can measure the ROI of every campaign you run in digital marketing. In theory, this seems to resolve the marketer's dilemma of which medium is the best for marketing various products. But on the other side, the campaign objective will impact the suitability of a particular medium. For example, Google AdWords may give great results for lead generating campaigns but may not yield the same results when it comes to brand campaigns. So, the marketer has to spend precious resources like money and time for each campaign in the hit and trial process to arrive at the optimal advertising mix.

A branding campaign needs to address people on the top of the Sales Funnel (AIDA)- Awareness, while the lead generation campaign is more towards the second and third stages (Interest and Decision making). A campaign that is directing people to buy on a portal needs people on the fourth or Action stage. So, if we can evaluate Online Media on people using various online mediums are at the which stage of AIDA, the media planner can better utilize the ad money by directing Branding campaigns to mediums where more people are on awareness level and conversion campaigns to a medium where more people are on the final purchase or Action Level.

Implications:

- Shall enable better usage of advertising budgets. Reduce wastage on hit and trial.
- May be instrumental in developing AI for online advertising.
- Can be used for Data analytics.

- Provide insight into the mindset of millennials relevant to further research.
- Shall further accelerate and give insights into psychological and sociological criteria and variables impacting and determining millennial behavior.

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